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# *Canada's External Relations with Latin America*



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# *Canada's External Relations with Latin America*

A Brief submitted to the Canadian Government by a group of Canadian Oblate Missionaries and Volunteers engaged in development work in various countries of Latin America.

MONTREAL

January 8, 1970

	CONTENTS	pages
<b>Introduction</b>		3
<b>I — The phenomenon of under-development in Latin-America</b>		5
— Fringe-Living and Internal Disintegration	.....	5
— Herodian Groups	.....	7
— A climate of stress and strain	.....	8
— Economic Stagnation or the Expansion of Under-Development	.....	10
— A theoretical and aristocratic education	.....	12
— When Aid is of no help	.....	13
— The multifarious elements of Development	.....	15
<b>II — Recommendations</b>		15
1. An Aid that will benefit fully the recipient countries	.....	16
2. Trade relations should not indirectly shrink our aid to Latin-American countries	.....	17
3. That Canada abstain from membership in the OAS	.....	18
4. That Canada take no part in any policy of reprisal against any Latin-American state	.....	19
5. Aid should reach also the private organizations devoted to development	.....	20
6. That Canada assume the role of moral leader in the international organizations	.....	20
7. That Canada advocate a more effective policy for the U.N. World fund for development	.....	21
8. That Canada set up a Centre for study and research on Latin America	.....	22
9. CBC stations should have correspondants on a permanent basis in Latin America	.....	22

#### ABBREVIATIONS

CAD	Committee on Aid to Development
CIAP	Comité Interamericano de la Alianza para el Progreso
CEPAL	Comisión Económica Para América Latina
DESAL	Centro de Desarrollo Económico Social para América Latina
GATT	General Agreement on Tariffs and Trade
OECD	Organization for Economic Co-operation and Development
OAS	Organization of American States
UNCTAD	United Nation Conference on Trade And Development.

## **Canada's External Relations with Latin America\***

### **INTRODUCTION**

1. There are roughly 3000 Canadians currently engaged in Latin American development on either a permanent or a temporary basis. Understandably, their concern in the increasing interest of Canada in that part of the Western Hemisphere is of the highest order, and they could not but respond actively to the Prime Minister's invitation to all Canadians to participate in the present review of Canadian foreign policy.

2. The Secretary of State for External Affairs is invited to review this Brief in the understanding that it deals only with Canada's relations with Latin America about which the authors claim some personal knowledge and their personal experience in Latin America has given them a measure of competence in this area. It is a truism to say that all Latin American countries are presently in the throes of a dramatic crisis constituted by a complex of socio-economic problems so serious as to have been given the distressing name of "under-development". Plagued with insurmountable difficulties, they are most keen on Pan-American solidarity and eager for all available aid and support from industrialized nations, even if they harbour some persistent misgivings with regard to the super-powers.

\* This Brief has been presented to the Honourable Mitchel Sharp, Minister of Foreign Affairs of Canada, on Thursday, January the 8th 1970, by a delegation composing Gabriel Dicaire, O.M.I., Director of the Information Bureau of Developing Countries and promotor of this *Brief*; Lorne MacDonald, O.M.I., Provincial for the English speaking Oblates; Maurice Lefebvre, O.M.I., professor of Sociology at the University of San Andrés, La Paz, Bolivia; André Desjardins, Co-ordinator for CUSO at Lima, Peru, during 1968 and 1969; Claude St-Laurent, O.M.I., Executive Director of "l'Entraide Missionnaire", Montreal; Robert Barsalou, O.M.I., Director of Public Relations for the French speaking Oblates.

3. In such circumstances, what should Canada's foreign policy be with respect to these Southern Republics whose total population exceeds 265 millions of people? Let us first note that Canada is in an excellent position to engage in and pursue a fruitful dialogue with the score of Republics to the South. We have observed everywhere that Canada is viewed in a most favourable light. It inspires no fear of any kind. It is one of the very few prosperous nations about which there does not linger an odor of repulsive colonialism. It has never aspired to be the first or the greatest in the world but only to provide its own people with the highest possible standard of living in accordance with norms that are most fully human.

4. As sound as the motives are for Canada to cultivate good relations with its immediate neighbour to the South, the reasons are not less impelling that it create new relations and improve its actual exchanges with all countries of the American Continent, if a pernicious political and economic cleavage of the Hemisphere is not to be created. Canada alone can counterbalance to some extent the excessive weight of the United States upon the whole of the American Hemisphere. And it can hope to have a greater influence on the conscience of the world only if it takes an effective stand in favour of the right of self-determination of nations in all parts of North and South America. This it can do most effectively by a liberal and discerning use of technical and financial aid.

5. Taking for granted that the basic objective of our foreign policy is "to make a contribution to the establishment of world peace and security, to social progress and the improvement of the standard of living for all mankind",<sup>1</sup> we shall here present a number of recommendations (with appropriate explanations) concerning our dealings with Latin America.

6. We have thought it advisable however, to base our suggestions on a survey of the actual state of under-development in

<sup>1</sup> From the Declaration published by the Federal Government on the eve on the Federal-Provincial Conference, February, 1969.

Latin America with a special emphasis on its essential traits. The first part of this Brief is thus a study of the Latin-American scene.

## I. — THE PHENOMENON OF UNDER-DEVELOPMENT IN LATIN AMERICA

7. A great number of impressive statistics on the socio-economic conditions prevailing in Latin America have been published by various international agencies. However, not much has been done in the way of evaluating the significance of these figures in relation to the whole social reality and to under-development in general. The best efforts to this end have been supplied by the Economic Commission on Latin America (CEPAL) and the Centre for Economic and Social Development in Latin America (DESAL) to whose reports and studies this Brief is greatly indebted.

### A. FRINGE-LIVING AND INTERNAL DISINTEGRATION

8. The foremost characteristic of Latin-American under-development is the extent of fringe or marginal existence. In most Latin-American countries a very large segment of the population (perhaps 80% to 90%) fails to be an integral part of the national society — largely concentrated in the capital and big cities — and remains on its fringe. Millions of peasants do not participate in the social and political life of the nation. All the large cities are surrounded by shanty-towns (*favelas* in Brazil, *callampas* in Chile, *barriadas* in Peru, *barrios* in Bolivia) that, under sub-human conditions, breed unbearable frustrations and spawn revolts. Latin America thus presents a sombre picture with a few glowing, bright spots, the fully modern urban centres, but each of which is girded with a wide, compact belt of marginal people. Interspersed among these agglomerations we find the *campesinos*, likewise marginal and as unintegrated as those who people the shanty-towns (the *pobladores*).

9. Fringe-living may be defined as the lack of active participation by the marginal groups in the life of society. They

neither have a voice in the assemblage or network of decisions that frame the destinies of society and distribute its services, nor do they share in these services nor in the other advantages provided by society to its members. Hence, the vicious circle: groups that have no voice in decision-making are generally denied the enjoyment of social benefits, and these who do not share in social benefits (education, health and hygienic services, transportation, etc.) become more and more segregated, dehumanized and incapable of exerting any influence on the power-structure and even of asserting their legitimate rights.

10. The real cause of fringe-living and lack of participation is social *disintegration*. It is, indeed, noticeable that, in contradistinction to the participating sector of society, the marginal masses are powerless because they are deprived of genuine representation, a result of their social disintegration and atomization. In other words, they are, and will remain, socially and economically unorganized.

1. The awareness of the phenomenon of marginal living sheds a new light on the statistics that one reads relative to the socio-economic conditions in Latin America. When it is said that the average monthly income of a Latin-American family is \$170, it must be understood that 60% of families (150 million people) earn an income of \$60 per month while 0.1% (or 250 thousand individuals) receive an income of \$27,500 per month.<sup>2</sup> The income-differential between the privileged class of

<sup>2</sup> Figures given by CEPAL in *América Latina: Un Mundo que Ganar*, by CENTRAL ÚNICA DE TRABAJADORES. Santiago de Chile, Editorial Universitaria, 1968. Following is the table of income distribution in Latin America.

Population Groups	percentage of Total Population	Average Monthly Family Income
I	60	US \$ 60.00
II	30	\$ 190.00
III	9.9	\$ 490.00
IV	0.1	\$ 27,500.00
TOTAL	100	\$ 170.00

urban centres and the under-privileged of the shanty-towns and rural regions is as wide as that between industrialized nations and the newly independent developing peoples, taken as a whole.

### B. HERODIAN GROUPS

12. At the other end of this disjointed society are the "superior" classes characterized by what we shall here call "Herodianism". This concept, first advanced by J.A. Toynbee in his *Study of History* and popularized by DESAL, is indispensable to a socio-psychological analysis of the Latin-American situation. Historically, the Herodians or followers of Herod (partisans, courtiers, bureaucrats and administrators) not only adopted his political submission to the Roman masters but even his aperit of Roman culture, social customs and material way of life. Although not Romans themselves, they lived or tried to live like the very conquerors they loathed while still suffering under Roman domination.

13. This type must be understood if one is to grasp the significance of day-to-day events and, more particularly, if one is to appreciate fully the amazing phenomenon of ever-increasing under-development in most countries of Latin America. In all of these countries there is to be found a Herodian class or a variety of Herodian groups that spiritually belong much more to the upper-classes of the large European or North American cities than to their own population whose aspirations they do not share. Amid the dispossessed masses they flauntingly adopt the *American way of life* for which they have nothing but praise. They place their money in foreign banks or invest in foreign enterprises. Their children will inevitably receive their education in the United States or in other countries of equal prestige. They themselves are apt to consider their emigration to the North as the crowning end of a political, intellectual or financial career. These *elites*, so deeply marked by Herodianism, hold all forms of power in their hands. They thrive on power and, more especially, on the relations of power-groups with other countries. This enables them to fashion a way of life to their taste without any reference to the masses of their own countrymen.

14. Latin-American Herodianism is the product of what sociologists call the "effect of demonstration". The modern mass media of communications place before their eyes and within their grasp the complete showcase of the affluent countries, and this display is equivalent to a "demonstration" of what people of "good position" should strive to be and to have. Were the Herodian groups to resume their historical role as a dynamic force, their presence would be justified. But they are content only to pass on to the marginal strata of their own societies the demonstrative effects of their affluence. They merely display before the avid eyes of the poor a standard of living that is extremely tempting, yet completely out of their reach. Thus, while the masses are still struggling with such vital problems as under-nourishment, sub-standard housing, illiteracy, infantile mortality, etc., the consciousness of new needs readily surges within them — prematurely, so to speak. This demonstrative effect has not yet reached all strata of the marginal population in all countries but it is only a matter of time until it does.

15. The complex unity of the phenomena just described is the cause of such a permanent tension between the "haves" and the "have-nots" that we may truly speak of pre-revolutionary conditions existing on a wide scale. Extremist groups may indeed take advantage of the situation although they are clearly not responsible for it.

### C. A CLIMATE OF STRESS AND STRAIN<sup>3</sup>

16. The tension that we have here described may be thought of as psycho-functions. There is a frustration at the distance "felt needs between" and the means of meeting such needs. When such a strain reaches beyond certain point it brings about a personal and a social self-consciousness that develops in four stages.

<sup>3</sup> See Roger VEKEMANS, *Psycho-Social Analysis of a Pre-Revolutionary Situation*, published in DESAL's mimeographed series, TVD, no. 1 (1962), "Articulos."

#### *1st level of awareness: Destitution*

17. First of all, there is the purely objective socio-economic fact of *poverty* consisting in the differential between the human needs and the available resources. This first level of awareness exists in respect to the need itself: "I want the necessities of life; I eat poorly, I am illiterate, I am alone". Poverty gives birth to the subjective consciousness that "I am destitute".

#### *2nd level of awareness: Frustration*

18. In this second stage there is a vivid perception of the scarcity of available resources. "The scarcity of the thing I need is the source of my dissatisfaction, for I still desire this thing that is so much out of my reach. At this level I begin to feel deprived and frustrated".

#### *3rd level of awareness: Sense of failure*

19. The third stage of this psychological process is the conviction that the aims of "nature" are somehow thwarted. "This object of my desire should naturally be mine; both my own reasoning and the mercantile propaganda with which I am swamped suggest that it should be so. I set my mind and my energies on the means of acquiring it, but these means prove to be elusive. My aspirations come to naught and thus a sense of failure is bred within me".

#### *4th level of awareness: Irritation Toward Other*

20. Frustration has its painful effects on human relationships. Personal and collective failure gives rise to the realisation that resources do fulfil the needs and desires of others. "I become more and more conscious of my unsatisfied, frustrated, ineffectual and dispossessed self in the face of another who is satisfied, self-fulfilled, complacent and well-provided". That self-consciousness of the poor spells inevitable irritation toward the rich. It explains

the internal tensions in Latin America between the fringe-living and the dominant classes, between the South and the North-American Continents, between the industrialized and the under-developed countries. This social condition is not altogether irreversible. It could be removed through pertinent reforms and the institution of effective mechanisms that would attack its deep-rooted causes.

21. The eventuality of a social upheaval, of a "revolution from below", is not dismissed by Mr. Paul G. Hoffman, director of the United Nations Programs for Development. Speaking in Ottawa in October 1968, he said:

It is not simply the gap between the rich and the poor — in fact, it's not even poverty itself — that keeps the world in such a state of high tension. After all, most of the world's people have always been distressingly poor. Today, however, two new elements have entered the scene. Where previously the poor were hopeless — and, being hopeless, were resigned and apathetic — now for hundreds of millions of them hope has replaced hopelessness, rebellion has replaced resignation and determination has taken over from apathy (From International Development, Department of External Affairs, Ottawa, November 1968).

Perhaps this would explain the regression of democracy in most countries of Latin America. Actually, about ten countries are governed by military juntas or dictatorships. These regimes have assumed power with a view to maintaining much of the *status quo* to the benefit of the wealthy class and also, in some cases, in order to protect foreign economic and military interests.

#### D. ECONOMIC STAGNATION OR THE EXPANSION OF UNDER-DEVELOPMENT

22. It does not seem necessary to describe the economic stagnation of the regions under discussion. Most of the nations considered do not conform to the euphemistic description, the "developing countries". In point of fact, in many of them under-development is going under more deeply. Following are some indications of this regressive movement.

23. *The external debt* increases from year to year at an alarming rate due to interest rates that have become truly oppressive. The amortizations actually cost over two billion dollars *per annum*.<sup>4</sup> According to a report published last year by the Inter-American Bank, Latin-American countries are presently almost to the maximum possible. In its issue of January 1968, *International Development* asserts that "in Latin America, the service of the dept absorbs 75% of foreign aid received".

24. *Stalling Industry.* — Foreign investments are not decreasing but they tend gradually to absorb available indigenous capital. Moreover, they are more a source of profit for the foreign investors themselves than an aid to the economy of the country. Industry is far from producing an adequate number of jobs, and it hardly pays the decent wages that would foster monetary circulation.

25. *Deterioration of Foreign Trade.* — Export are generally falling as are the prices paid for raw materials, while the volume and the cost of imported goods are on the rise. Between 1950 and 1965, while the cost of imported goods rose by 21%, the prices of exports fell 9%.

The Prime Minister of Jamaica, Mr. Hugh Shearer, speaking in Ottawa, made a plea for a more equitable Canadian trade policy on behalf of Caribbean countries. Canada pays a ruination price for Caribbean sugar while the costs of imported Canadian goods are being inflated from year to year. In 1966 Jamaica had to produce 680 tons of sugar to purchase a Canadian tractor. The same tractor today costs 3,500 tons of sugar, a fivefold increase in terms of Jamaican production.<sup>5</sup>

Furthermore, the ratio of Latin-America exports to total world exports is diminishing year by year: in 1950 it was of the order of 10%; in 1967 it had dropped to a mere 6%.<sup>6</sup>

<sup>4</sup> Gabriel Valdés, minister of Foreign Affairs of Chile, has calculated that, on an average, 23 1/2 years would be required to amortise the external debt — which means \$41.70 in accumulated cost for each \$100.00 received as loan. Cited in *The National Catholic Reporter*, Kansas City, February 2, 1969.

<sup>5</sup> According to a Canadian Press release of August 12, 1968.

<sup>6</sup> Figures compiled by CEPAL in *América Latina: Un Mundo que Ganar*, p. 38.

26. *Chronic Inflation*. — In an article entitled "Latin America Doomed to Trouble?", *United States News and World Report* (October 21, 1968, pp. 112-113) asserts: "Inflation continues to gnaw at savings, productivity and living standards — and inflation here runs at one of the world's highest rates".

27. *Increasing Deficit in the Balance of Payments*. — If Great Britain and even the United States face difficulties in their balance of payments despite all the protective measures that they adopt unilaterally, how insoluble are the problem of the under-developed countries that are trapped in a network of bilateral agreements going under the name of "aid". Since 1956 the annual deficit has always exceeded 400 millions of dollars. In 1967, it had risen to one billion 410 millions.<sup>7</sup>

28. *Unemployment* is a endemic disease of Latin-American countries. The artificial growth of urban areas, preceding as it did the industrial development, gave rise to

a progressively-increasing unemployment, maintained the old forms of inadequate production (handicrafts, piece-work in the home, the antiquated system of small plants, etc.), increased the number of unproductive jobs in the field of services at the expense of industry, kept up the traditional system of family ownership and domination; in a word, it produced an ever-growing marginal urban population. This colossal problem sadly appears in a vivid light in the *favelas* of Brazil, the *villa miseria* of Argentina, the *callampas* of Chile, the Peruvian *barriadas* and the *colonias proletarias* of Mexico City.<sup>8</sup>

## E. A THEORETICAL ARISTOCRATIC EDUCATION

29. Modern Latin America inherited from Western Europe an educational system that is mostly theoretical, humanistic and aristocratic. Schools are not adapted to the social conditions nor

<sup>7</sup> Figures of the International Monetary Fund and of the International Financial Statistics, cited in *América Latina: Un Mundo que Ganar*, p. 39, and table 70.

<sup>8</sup> Víctor Flores OLEA, "América Latina frente a la sociedad industrial: reflexiones sobre el subdesarrollo", in Erich FROMM, Irving Louis HOROWITZ y otros, *La Sociedad Industrial Contemporánea*. Mexico, D.F., Siglo Veintiuno Editores S.A., 1967, pp. 194-201.

do they address themselves to the problems that students will have to face in life. Thus the system produces a class of so-called "educated" who are quite useless when it comes to the development of the country. An overstressed humanism tends to strengthen among the elite prejudices against technical training. Such prejudices in the upper class are as harmful to development as religious superstitions in the masses.

30. It must also be mentioned that the too few faculties of technology in the universities are wanting in adaptation and imagination. A graduate in civil engineering from a Latin-American university would readily be taken on staff by a New York firm, but because his training is geared to the use of sophisticated and heavy equipment, he would actually be unable to apply the more simple local materials and abundant manpower to a program of renewing a Latin shanty-town.

31. In order that education be a factor in socio-economic progress it must be reformed as an integral part of a general program of development. Succinctly, a well-balanced system of education should aim at the following: it should give priority to a basic training that is oriented towards producing an increase in agricultural production; it should be democratic in the sense that the largest possible number of youths and adults be given the chance to learn a trade and acquire the technical knowledge necessary to the progressive development of the primary communities; it must provide for the training of the technicians and administrators essential to a developing country's needs; and, urgently, training in the principles and practice of co-operation must permeate the whole system. To be of lasting effectiveness, any program of aid must take these educational needs into account.

#### F. WHEN AID IS OF NO HELP

32. Whenever mention is made of the under-development of Latin America, a question is unavoidably asked: "What has Latin America done with all the aid that it has received during the past 15 years?" An article entitled "Cuando la asistencia no

ayuda" (When aid does not help), in *The Economist para América Latina* (No. 9, September 8, 1967), demonstrates with telling statistics and graphs that the so-called aid to Latin America is far from being as much of an aid as is generally believed.<sup>9</sup> The aid is often offset by international trade methods in which the law of the jungle is still in force, as between the developed and the developing countries. A proviso is often attached to a grant stipulating that goods procured by means of the grant must be purchased from the donor country. The aid supplied by Australia, Canada, the United States and Japan carries such a condition affecting from 60% to 80% of the credits allotted. And, as we have already shown, falling prices of primary commodities on the world market cause the "aid" to be considerably devalued.

33. As the vaunted benefits derived from private foreign investments, *The Economist para América Latina* thinks that they should be taken with quite a bit of salt:

- such investments are unstable and capricious;
- they appear in concentrated form without regard to needs and often in those countries that are least in need of aid, such as for example the large investments in Venezuelan petroleum;
- the technological aspect of aid is present only when the administrative and technical staffs are not wholly or mainly imported from the home country — a circumstance that is extremely rare;
- the profits withdrawn from the exploited country considerably exceed the invested capital;<sup>10</sup>
- "the stringency of the terms of export-credits is notorious" says the quoted review.

<sup>9</sup> *The Economist para América Latina* is a bi-weekly review published by The Economist Newspaper Ltd., of London.

<sup>10</sup> During the last 15 years American capital invested in Latin America reached the impressive amount of 3.8 billions of dollars. During the same period income from investments repatriated to the United States rose to 11.3 billions of dollars (Cf. *Le Monde*, Paris, October 24, 1968).

## G. THE MULTIFARIOUS ELEMENTS OF DEVELOPMENT

34. Many international agencies are slow to realize that under-development is not a purely economic problem. According to the experts<sup>11</sup>, a proper pattern of development should include the following fields:

- demographic
- economic
- socio-economic
- social
- cultural
- political
- socio-psychological

35. It should not be necessary to stress that the Latin-American nations are not all identical. Each has its own ethos and cultural values, and they are quite sensitive about their respective identities. They aspire after development not only in order to eat but to enjoy a meaningful life. Were they to grow economically at the cost of their identity, they would be accepting the sacrifice of their "reasons for living" for the sake of mere existence. Whatever we may think, this is what they believe.



What conclusions should Canada draw from the foregoing study? The following recommendations are presented in an effort to help in the elaboration of a realistic foreign policy worthy of the Canadian ideal.

## II. — RECOMMENDATIONS

So that Canada may play its part in the building up of hemispheric solidarity in the progress of a civilization that would

<sup>11</sup> Cf. Cabezas de G., BETTY, *América Latina Una y Multiple*, Santiago de Chile, DESAL — Barcelona, Editorial Herder, 1968, pp. 46 and 144.

enhance Canadian life even as it raised the living standards of their Latin-American neighbours, we recommend:

*1st Recommandation:*

*That Canadian Aid to Latin America be of such a nature as to benefit fully the recipient countries.*

36. Too often the so-called "external aid" of the industrialized nations proves to be ineffective. Following are the remarks of a man who speaks with the hard realism of a banker:

The developed countries do not seem to think of the future. Their policies of assistance tend too strongly to reflect their own narrow preoccupation to take into effective consideration the situation in the developing countries or to adopt far-sighted visions for the entire world. This may sound exaggerated, but it is the truth. Bilateral programs of aid constitute their foremost objective, so that, by this means, high-revenue countries continue to help themselves. Indeed, they see in these aid programs:

- the hope of financing their exportable production;
- a tactical support for their diplomacy;
- a guarantee for their strategic military positions.<sup>12</sup>

In order to avoid making of its aid an object of some contempt on the part of the beneficiaries themselves, we suggest that it conform to the following norms:

37. *Aid requires planning* if economic growth is to be coherent and the economic structures of the countries concerned are to assume a truly modern form. This will be achieved through basic changes in the methods of production by the adoption and full utilization of modern technology directed towards the collective interest and the just redistribution of incomes.

38. *Aid should focus on the marginal sector (80% to 90%)* of the population of a country, since any hope of change rests

<sup>12</sup> Georges D. Woods in his farewell address as president of the World Bank to UNCTAD in New Delhi, February-March 1968 and reproduced in *Presencia*, La Paz, April 8, 1968. We regret that the English text was not readily available and we translated from the Spanish.

necessarily on this element. It has now been forcibly demonstrated that any aid entrusted to the ruling-class only serves to maintain the *Status Quo*.

39. *Aid must aim at the social integration* of the nation through a strategy of development that is not based on the present factors of growth nor on the setting up of growth industries in rural areas, but that looks forward to a number of successive transitions aimed at a better qualitative and quantitative use of the human potential.

40. *Aid should address itself primarily to agriculture* and should postulate a development policy that favours improvement from below in the agricultural community. The development must meet the needs of the majority of the rural population and, where possible, be carried out under the control of agricultural worker groups and with the adjunct of local secondary industries. Sustained development presupposes diversified farming capable of future expansion by itself.

41. *Aid should foster education*, an educational system closely integrated in a general program of development. Aid applied within the traditional framework of education often only succeeds in strengthening a system designed to favour an educated class that is incapable of assuring development. Adult-education ought therefore to receive some priority from external aid. Practical training in more successful methods of production is also most important. The training of administrators and technicians to direct governmental services, co-operative movements and small industry should also be regarded as essential in aid programs.

#### *2nd Recommendation:*

*That trade relations between Canada and Latin America do not indirectly shrink our aid to these countries.*

42. Free trade cannot be the sole, universal regulator of international trade. It may offer certain advantages when the economic strength of the two parties is approximately even, when

the negotiating parties are of unequal strength, a grave disequilibrium and injustice may result. The consent of the contracting parties does not *per se* insure a just contract. It is of frequent occurrence that the weaker party "consents" when it is on the horns of an irreducible dilemma. It is therefore imperative that the economically strong nations act upon more humane considerations than the primacy of nation interest.

43. And Canada would do well if it took the lead in heeding the grievances and suggestions of the under-developed countries. In New Delhi, Mr. Raoul Prebisch, secretary-general of UNCTAD proposed that:

— the prices of raw materials and primary products be stabilized (even if the wealthy countries had to pay more for their copper, bananas, coffee, etc...)

— the markets of industrialized countries be opened to the secondary production of developing nations.

In the beginning, these altruistic measures might have negative effect on the home economy, but they might also, in the long run, help to stabilize our neighbours' economies. And this would be in the best interests of Canada; for it is always preferable that our neighbours be partners or even healthy competitors than that they be famished beggars. World conditions being what they are, economic liberalism applied universally to international trade will only succeed in producing a disequilibrium that Canada will eventually be sorely affected in its own socio-economic system.

### *3rd Recommendation:*

*That Canada abstain from membership in the OAS.*

44. The Organization of American States (OAS) is formally a defense organization (against aggression towards any member state and, more particularly, against subversion). Its general secretariat is located in Washington and is largely dominated by the United States. It is not directly concerned with any progressive social policy. For these reasons Canada would only

suffer a loss of prestige if it joined this primarily defensive organization. Indeed, both the OAS and the United States have a bad press among intellectuals and workers in Latin America. Why, then, should Canada risk becoming the object of a similar aversion? The hope expressed by certain political leaders to the Honorable Mr. Sharp, during his tour of South America last fall, that Canada — as a member of the OAS — could influence the revision of its objectives and structures, seems to us to be illusory and mere wishful thinking. How could Canada join the Organization with the aim of destroying it and replacing it by another? If it is not in accord with the objective of the OAS and with the policy of the United States which, in fact, dominates it, the better course is not to join.

45. We would rather suggest that Canada endeavour to strengthen the role of United Nations agencies in Latin America. Then it could advocate a non-political Pan-American integration within the framework of the United Nations and according to specialized concerns such as research, education, culture, etc.

#### *4th Recommendation:*

*That Canada take no part in any policy of reprisal against any Latin-American State.*

46. No state, however powerful, has the right to excommunicate a whole people from the human community and to deprive it of its natural relations with its own economic and political region. And we applaud the determination of Canada to persist in a policy of exchanges with Cuba, when the United States practically compelled other States of the Continent to break relations with Cuba. Social economic frustrations will likely instigate sudden political changes in other countries — changes that might not conform with our own standards. It is to be hoped that Canada will continue to show sound realism and breadth of vision. Let us quote once more from Georges D. Woods, already cited speech in New Delhi:

Development will dictate radical changes that will take time (...) and will undoubtedly lead to continued agitations and even to violence. The

countries that give aid ought to be prepared for this in a realistic way; they must not be too easily disappointed or prone to discontinue their aid (*op. cit.*, p. 22).

*5th Recommendation:*

*That Canada provide aid to private organizations devoted to economic, social and cultural development.*

47. The experience of past years has shown that aid transferred from Government to Government is rather ineffective as a means of making the people themselves the main agents of their own development. Even if financial support is given to private organizations through the agency of the Government of a particular country, it will necessarily be restricted by governmental policies that reflect little concern with the effective promotion of the whole people, as has previously been suggested.

48. Hence, it is recommended that the Canadian Government adopt the method used by some European countries such as Germany. The German Government gives financial support to private German foundations that, in turn, provide assistance to private institutions in the developing countries without hindrance or restraint.

*6th Recommendation:*

*That Canada assume the role of moral leader in international organizations and conferences.*

49. International agencies often fall short of their purpose because they lack true international feeling or because of the shortsightedness of some members, usually the more wealthy, who have not yet sufficiently matured from an infantile nationalism to allow for the establishment of a political and economic system on a world scale. At the present time commercial relations recognize no ethical norms. Powerful national self-interests prevail most of the time.

50. The have-not countries meet with ever greater frustrations at international conferences, as was the case for the United

Nations Conference on Trade and Development (UNCTAD) in New Delhi, February-March 1968. In other conferences of this kind as well as in meetings of the Organization for Economic Co-Operation and Development (OECD), the Committee on Aid to Development (CAD) and the General Agreement on Tariffs and Trade (Gatt), Canada should seize the opportunity for promoting the interests of Latin America, which should be regarded not as a "developing" region, but as an under-developed continent. In the past, Canada has acquired a reputation for wisdom, bold initiative and generosity in proposing peaceful settlements of international disputes and conflicts. Why could it not today likewise assume the role of moral leader as regards problems of development in its own hemisphere: Canada is not a super-power, but if it possessed sufficient imagination and courage to propose new, positive solutions to the now hopeless problems of under-development, it would certainly make an effective contribution to the cause of peace in the world and would play a vital role in the progress of civilization. At least, it would gain the respect and gratitude of all under-developed nations.

*7th Recommandation:*

*That Canada advocate a more effective policy for the United Nations World Fund for Development.*

51. It is quite clear that a more rational and, thus, more effective distribution could be made of the funds presently available. Furthermore, the fund should be increased in order to correct the short-comings of bilateral and so-called multilateral aid that has driven the poor nations into a state of insolvency.

52. Through this agency exports of under-developed nations could be subsidized, and the expansion of food production would be encouraged. An objective should be pursued whereby under-developed countries are able to meet their food needs in a relatively short time. This could effectively be achieved by the same method that has served developing countries in the past, viz., protectionism for agricultural production.

*8th Recommendation:*

*That the Government of Canada set up a centre for study and research on Latin America.<sup>13</sup>*

53. It now appears urgent for Canada to acquire as sound a knowledge of Latin America as it has of Europe or the United States. A Centre like the one proposed should enlist the services of experts on Latin-American affairs. It could inform and advise not only the Department of External Affairs, but also all departments, such as Trade and Commerce, Immigration and that of the Secretary of State, where decisions on policy might have a bearing on Latin-American problems. Canadian Government should also give special subventions to some of our universities so that they could organize courses, seminars, conferences on Latin America.

*9th Recommendation:*

*That the CBC station correspondents on a permanent basis in the more important Latin-American Countries.*

54. It is distressingly amazing that the CBC has not seen fit to post a single permanent correspondent in any country of Latin America as it has done in the United States and Europe.<sup>14</sup>

The mass media seldom deal with the big problems and the main social currents of Latin America. It is not surprising therefore that the Canadian public is so badly informed about the true living conditions of the 265 million people South of the Rio Grande that we look upon as our neighbours. There are, in round numbers, 3000 Canadians devoting their talents and energies to the betterment of these conditions. Whenever they return to their country

<sup>13</sup> This Brief had already been written when Mr. Mitchell Sharp, in a speech to the United Nations on September 29, announced the Canadian Government's intention to create such an enlarged Centre.

<sup>14</sup> The Spanish division of the CBC receives occasional news of Latin America from the press attachés in Canadian embassies in various Latin-American countries.

they are disconcerted by the ignorance of Canadians relative to these people among whom they have lived.

55. Yet the Canadian people are eager to be better informed. A certain proportion has already been made aware of the situation through personal contacts with Canadian missionaries and lay volunteer workers. Yet they want to know more. They also want to know what Canada is doing, and what more it proposes to do, in order to improve the distressing conditions of these people. We suggest that the CBC has an obligation to satisfy this desire for more and better information.

The following persons have signed this BRIEF in their own name and in the name of many Canadians working in Latin America whom they represent:

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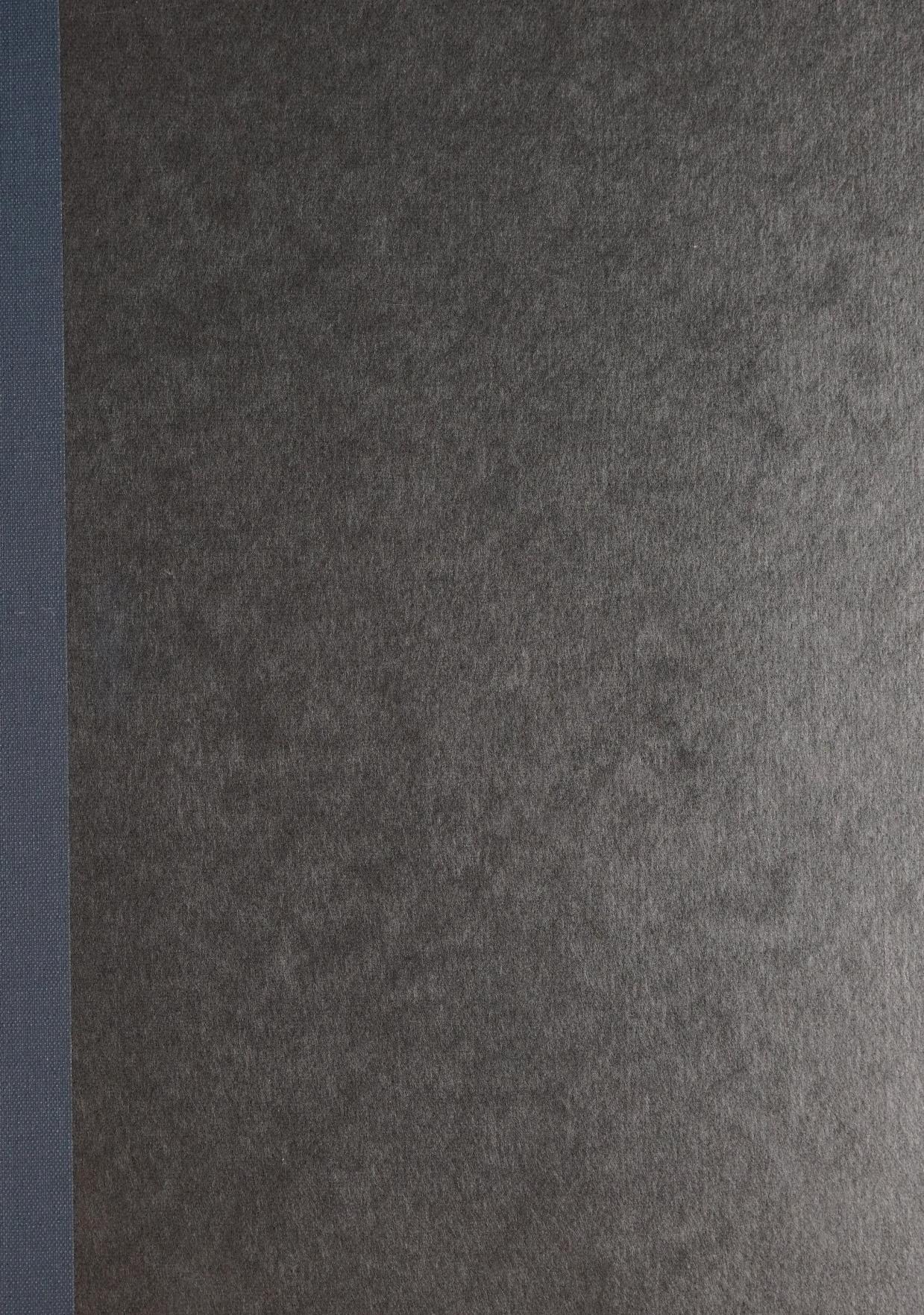
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